

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7323**

**BILL NUMBER:** SB 481

**NOTE PREPARED:** Jan 20, 2013

**BILL AMENDED:**

**SUBJECT:** School Accreditation.

**FIRST AUTHOR:** Sen. Kruse

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

*Accreditation:* This bill makes various changes to the administration of school accreditation:

1. *State Board:* The bill replaces the current probationary accreditation status with a not full accreditation status. It provides that the State Board of Education (State Board) may apply sanctions to a school or school corporation that is not fully accredited.

2. *Department of Education:* The bill provides that the Department of Education (DOE) may conduct a review or onsite evaluation of a school to make a recommendation to the State Board as to the accreditation status of that school. It specifies membership of review panels. It provides that upon review by a review panel, the review panel shall make a recommendation to the State Board concerning the accreditation status of the school and, if applicable, certain recommendations for improvement that the school should consider. It provides that if a school or school corporation is assigned a not full accreditation status, the Department shall provide assistance to that school or school corporation to achieve a full accreditation status.

3. *School Corporation:* The bill provides that if a school is assigned a not full accreditation status, the governing body of the school corporation shall develop a plan to raise the school's level of accreditation within one year. It provides that a school corporation assigned a not full accreditation status shall direct its efforts toward raising the level of accreditation of each of its schools that have a not full accreditation status to full accreditation status within one year. It provides an appeals process for a school corporation or school that is assigned a not full accreditation status. It provides that if a school is assigned a not full accreditation

status, the completion of the school improvement plan may involve parents, administrators, teachers, and other members of the community.

*Freeway Schools:* The bill eliminates the accreditation of freeway schools. It removes language that provides that a freeway school corporation is exempt from provisions relating to performance based accreditation and the ISTEP program.

*Amendments:* The bill also makes conforming amendments.

**Effective Date:** June 30, 2013; July 1, 2013.

**Explanation of State Expenditures: Summary:**

1. *Accreditation-State Board; Accreditation-Department of Education:* The bill's requirements are within both the State Board's and DOE's routine administrative functions and should be able to be implemented with no additional resources.

2. *Freeway Schools:* DOE would have to evaluate these schools (approximately 141 of them) under the accreditation standards of this bill. The impact should be minimal.

**Additional Information-Accreditation:**

Under current law the State Board must establish either full accreditation status or probationary accreditation status for school corporations. Under full accreditation status, a school complies with all legal standards. All the schools in the school corporation have achieved full accreditation status; one or more schools in the corporation could be assigned probationary status but the school corporation, itself, is in substantial compliance with full accreditation standards. Under probationary accreditation status, a school does not comply with all the legal standards.

A school that has complied with all the legal and academic standards must be awarded full accreditation status. The next review for such a school will be within the next five years. On the other hand, if the DOE is not satisfied, one or more review panels will conduct an on-site evaluation of the school. The panel will consist of: a staff member from the DOE, a classroom teacher, and an individual who is not a classroom teacher but who is representative of the field of education.

After receiving the results of the evaluation, the State Board would either grant the school full accreditation status or place the school on probationary status. If the school is fully accredited, the next review would be in five years; if the school is given a grade of probationary accreditation, the next review would be conducted one year after the State Board's determination.

The governing body of a school on probation status has one year to develop an improvement plan for the school. If the school fails to make adequate progress, or at the end of three years has not achieved full accreditation status, the State Board must assign probationary accreditation status to the school corporation in which the school is located.

A school corporation on probationary accreditation status has one year to raise the level of accreditation of each of its schools to full accreditation status. If the school corporation fails to do so, DOE must submit to the

General Assembly recommendations concerning the operation and administration of the school corporation and the schools within the corporation.

If a school or school corporation is assigned probationary accreditation status, the governing body of the school corporation may appeal that determination to the State Board. The school or school corporation may also request assistance from the DOE. Additionally, the completion of the school improvement plan must involve parents, administrators, teachers, and other members of the community.

This bill makes the following changes to current law.

(1) The current statute has been repealed. Under this bill, schools and school corporations would no longer be graded as “Probationary”. This classification has been replaced by “Not Full Accreditation Status”. The State Board may apply sanctions to a school or school corporation that is not fully accredited including the submission of compliance reports to the State Board and the withholding of state tuition support payments.

(2) This bill also adds financial responsibility requirements to the legal standards for accreditation.

(3) The review panel has also been changed. Two more members have been added to the panel: one from the governing body, and one legal expert. Additionally, the number of individuals from each category under current law can be increased. For example, under the current statute, one individual from DOE was required to be on the panel. Under the bill, one or more staff members from the DOE can sit on the panel.

(4) The bill also modifies the mandate for the review panel. Under current law, the review panel has to evaluate a school on its teaching practices and administrative leadership in instruction, its parental and community involvement, its implementation of the ISTEP remediation program and education for at-risk children, and its homework policy. Under this bill, the review panel would evaluate the school under the same legal and academic standards as used in its original evaluation (e.g. health and safety standards, curriculum offerings, implementation of a staff evaluation plan, a focus on academic performance, financial responsibility).

(5) Under the bill, if a school is assigned a “Not Full Accreditation Status”, the school corporation has one year to develop a school improvement plan and another year to implement it. Under current law, a school corporation has one year to develop a school improvement plan and three years to implement it.

(6) Current law states that if a school is assigned probationary accreditation status, the completion of the school improvement plan must involve parents, administrators, teachers, and other members of the community. Under this bill, this provision is optional.

### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary:* Relative to accreditation, schools and school corporations would face two changes. Similar to current law, a corporation that is not fully accredited would have to direct its efforts toward raising the accreditation level of each of its schools as applicable. However, this provision reduces the implementation time from three years to one year. The second change is that the State Board may reduce the corporation’s tuition support.

The potential impact of the bill on Freeway schools would depend on the degree to which schools were already in compliance with the accreditation provisions in the bill. Schools may have to devote substantial funds and

resources to comply with what could be for them a new accreditation standard. Similarly, students from these schools would have to take the ISTEP test, the results of which are one of the factors used in determining accreditation. While most Freeway schools are currently doing very well under their own testing systems, it is not known if the transition to the ISTEP, at least initially, would pose any difficulty.

#### Additional Information - Freeway Schools

Freeway schools do not currently fall under the same accreditation standard as a typical school corporation. Instead, the governing body of the school and the State Board of Education enter into a contract outlining the performance metrics the school must meet in order to remain an independent entity. Under the current agreement, curriculum and instructional time, pupil/teacher ratios, textbooks, graduation requirements, performance based accreditation are left up to the schools to administer.

In the area of current academic performance, of the 103 Freeway schools that received an academic performance grade in 2012 under the new A-F standard, 72 received an A, 19 received a B, 10 received a C and 2 received a D. Approximately 38 new petitions were approved in 2012.

#### **Explanation of Local Revenues:**

**State Agencies Affected:** State Board of Education; Department of Education

**Local Agencies Affected:** School Corporations, Schools, Freeway Schools.

**Information Sources:** Department of Education database.

**Fiscal Analyst:** David Lusan, 317-232-9592.